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The Low-Income Home Energy Assistance Program (LIHEAP): Program and Funding

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The Low-Income Home Energy Assistance Program (LIHEAP): Program and Funding

Summary

The Low-Income Home Energy Assistance program (LIHEAP), established in 1981 (P.L. 97-35), is a block grant program under which the federal government gives states and other jurisdictions annual grants to operate home energy assistance programs for low-income households. Funding authorization for LIHEAP expired in FY2004, and was then reauthorized for fiscal years 2005 through 2007 on August 8, 2005 when the President signed the Energy Policy Act of 2005 (P.L. 109-58). The law authorizes annual regular LIHEAP funding of \$5.1 billion per year from FY2005-FY2007; explicitly permits the purchase of renewable fuels, including biomass, as part of providing home energy assistance; requires the Department of Health and Human Services (HHS) to report to Congress on how LIHEAP “could be used more effectively to prevent loss of life from extreme temperatures;” and allows the Secretary of the Interior, when disposing of in-kind oil and gas royalties, to grant a preference to support federal low-income energy assistance programs.

The President’s FY2006 budget request includes \$2 billion for LIHEAP — \$1.800 billion for regular funds and \$200 million for contingency funds. On June 24, 2005, the House passed an appropriations bill (H.R. 3010) that would provide \$2.007 billion in regular LIHEAP funds for FY2006; it does not provide contingency funds. The Senate Appropriations Committee has approved FY2006 LIHEAP funding of \$2.183 billion, of which \$1.883 billion would be for regular funds and \$300 million would be for contingency funds (S.Rept. 109-103).

For FY2005 Congress appropriated \$2.182 billion for LIHEAP, of which \$1.885 billion was regular funds (allotted to all states) and \$298 million was contingency funds (allotted to one or more states, at the Administration’s discretion, and based on emergency need). As of September 2005, the Administration has released \$277.25 million of the FY2005 emergency contingency funds; a total of \$20.75 million in these funds remain available until expended. The first three of four emergency fund distributions were made in late December 2004 (\$100 million), late January 2005 (\$100 million), and early March 2005 (\$50 million) in recognition of high home energy prices, particularly for heating oil and propane. Each of these distributions was made to all states, with half of the money distributed based on the formula used to distribute regular LIHEAP funds and half distributed using that same formula but weighted to increase funding to states where more low-income households use heating oil or propane. In early September a fourth distribution of \$27.25 million was made to Alabama, Florida, Louisiana and Mississippi in the wake of Hurricane Katrina. (See **Table 1.**)

In FY2003, some 4.8 million households received LIHEAP heating/winter crisis assistance, compared with an estimated 4.4 million households in FY2002. More than 493,000 households received cooling aid in FY2003, down from 570,000 in FY2002. The average value of the cooling aid benefit in FY2003 was \$148, while the average value of the heating benefit was \$258. This report will be updated as legislative or program activities warrant.

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The Low-Income Home Energy Assistance Program (LIHEAP): Program and Funding

Introduction

The Low-Income Home Energy Assistance program (LIHEAP), established in 1981 by Title XXVI of P.L. 97-35 is a block grant program under which the federal government gives states, territories, and tribes annual grants to operate home energy assistance programs for low-income households. While funding authorization for LIHEAP expired with FY2004, Congress appropriated \$2.182 billion for the program in FY2005. Then, on August 8, 2005, the President signed the Energy Policy Act of 2005 (P.L. 109-58), which reauthorizes LIHEAP from FY2005-FY2007. For FY2006, the House passed an appropriations bill (H.R. 3010) that proposes \$2.007 billion for the program, and the Senate Appropriations Committee has approved \$2.183 billion (S.Rept. 109-103).

In FY2003, the most current year for which data could be obtained from the U.S. Department of Health and Human Services (HHS), an estimated 4.8 million households received help meeting heating costs (i.e. heating assistance and/or winter/year-round crisis assistance).¹ In FY2003 more than 493,000 households received cooling assistance, and over 71,000 received summer crisis aid. The amount of overlap between households that received cooling aid and summer crisis aid is not known; thus an estimated number of households that received aid related to cooling (comparable to those receiving aid with heating costs) is not available. Finally, 111,000 households received weatherization assistance through LIHEAP in FY2003.

Recent Developments

Energy Act Reauthorizes LIHEAP Through FY2007. The Energy Policy Act of 2005 (P.L. 109-58) reauthorizes LIHEAP for FY2005-FY2007. The law was signed by the President on August 8, 2005. With regard to LIHEAP, P.L. 109-58

- sets the regular funds authorization level for the program at \$5.1 billion in each of FY2005-FY2007 (LIHEAP regular funding authorization was set at \$2.0 billion for FY2004);

¹ U.S. Department of Health and Human Services, *Low Income Home Energy Assistance Program: Report to Congress for FY2003*. (Hereafter referred to as *LIHEAP Report to Congress for FY2003*.)

- allows the Secretary of the Interior, when disposing of in-kind oil and gas royalties taken from oil and gas leases, to grant a preference for the purpose of providing additional resources to support federal low-income energy assistance programs;
- authorizes state energy assistance offices, or those they contract with, to provide LIHEAP assistance to purchase renewable fuels as part of providing this aid;
- requires the Department of Energy to report to Congress on the use of renewable fuels in providing aid under LIHEAP; and
- requires HHS (within one year of the bill's enactment) to report to Congress on how LIHEAP "could be more effectively used to prevent loss of life from extreme temperatures."

Some of these provisions were included in the version of H.R. 6 that passed the House in the 108th Congress. However the new law authorizes a higher level of LIHEAP funding than would have been permitted in the previous version of the bill. It also explicitly permits the purchase of renewable fuels by providers of LIHEAP aid and requires a report on LIHEAP and the use of renewable fuels.

LIHEAP Contingency Funds. The Administration has released FY2005 contingency funds four times. On three occasions, late December 2004, late January 2005, and early March 2005, the Administration distributed a total of \$250 million to all states in response to higher home energy costs, especially for heating oil and propane. The first two distributions totaled \$100 million each, and the third totaled \$50 million. In each case, half of the contingency amount was distributed to the states based on the same formula used to distribute regular LIHEAP funds, and the remaining half was distributed based primarily on that formula but with certain adjustments made to ensure that extra funds would be received by states with the greatest share of low-income households using heating oil or propane. In early September, the Administration released \$27.25 million to states affected by Hurricane Katrina. Alabama received \$2 million, Florida received \$1.5 million, Louisiana received \$12 million and Mississippi \$11.5 million. The funds may be used to pay for energy costs, the costs of transportation to shelters for those whose health is endangered due to lack of access to cooling, utility reconnections, and repairs to furnaces, insulation, and air conditioners. Approximately \$20.75 million is remaining from the FY2005 contingency appropriation. P.L. 108-447 provides that these funds are "available until expended."

Table 1 shows recent federal funding levels for LIHEAP, including the amount of contingency funds released.

Table 1. Recent LIHEAP Funding*(Dollars in millions; sums may not equal totals due to rounding)*

Fiscal year	Funds appropriated		Contingency funds distributed ^a			Total funds distributed ^b	
	Regular	Contingency ^a	To all states	To some states	Subtotal	Subtotal (to all states)	TOTAL
2002	1,700	300	0	100	100	1,700	1,800
2003	1,788	0	200	0	200	1,988	1,988
2004	1,789	99	40	59	99	1,829	1,889
2005	1,885	298	250	27.25	277.75	2,135 ^c	2,162 ^c

Source: Tables prepared by the Congressional Research Service (CRS).

- a. The amount of contingency funds appropriated in a fiscal year may differ from the amount of contingency funds that are released in that fiscal year for two reasons. First, the LIHEAP statute gives the Administration discretion to release (or not release) any of available contingency funding. Further these funds, as directed by the Congress in its appropriations language, may be available for release in one or more years.
- b. Regular funds, all of which are shown in both of the Total Funds Distributed columns, include all regular funding distributed by formula to the states, the tribes, and the District of Columbia, as well as set-asides for the territories, leveraging incentive grants, REACH grants, and technical assistance (total set-asides approximately \$30 million). The “Subtotal to all states” column includes all regular funds plus any contingency funds that were distributed to all states; the “Total” column includes all regular funds plus any contingency funds that were distributed to one or more states.
- c. This amount includes total contingency funds released as of early September 2005 and total regular funds appropriated for FY2005. Regular LIHEAP funds are made available to states on a quarterly basis (October, January, April, and July). However, states may specify what percent of their total allotment they wish to receive at each allotment and many states receive all, or the great majority of their LIHEAP funds in the first two quarterly disbursements.

Proposed FY2006 LIHEAP Funding. The House (H.R. 3010), Senate Appropriations Committee (S.Rept. 109-103), and President (FY2006 budget) have each proposed a different funding level for LIHEAP in FY2006; each would also make these funds available in different ways. The President seeks a total of \$2.0 billion for LIHEAP in FY2006, of which \$1.800 billion was requested for regular funds (allotted through formula to each state) and out of which \$500,000 would be reserved for a “feasibility study” to “identify options for a thorough and objective evaluation” of the program.² The remaining \$200 million was requested for

² The U.S. Department of Health and Human Services, Administration for Children and Families (ACF) *Justification of Estimates for Appropriations Committees, FY2006*, p. B16-B-18) also appears to assume that \$27.5 million of these regular funds will be set aside for Leveraging Incentive and REACH Option grants. Although the statute (42 U.S.C. 8621(d)) provides a separate authorization for Leveraging Incentive funds, Congress has not used this authority to appropriate funds. Instead, as instructed by Congress (typically in the Conference Report), HHS has set-aside leveraging money from the regular funds appropriation and, as permitted in the statute out of this set-aside it has reserved 25% for

(continued...)

contingency purposes (distributed to one or more states on the basis of emergency need, as determined by the Administration). (See **Table 2**.)

The House Appropriations Committee (H.Rept. 109-143) recommended \$1.985 billion in LIHEAP funding. However, this proposal was amended on the House floor to add \$22 million (H.R. 3010), and this brought the House-approved FY2006 LIHEAP funding level to \$2.007 billion. As had been recommended by the House Appropriations Committee, all of these funds would be made available for state formula grants (regular funds). The House-passed *regular* funding level would exceed the “hold harmless” level of \$1.975 billion, which is included in current statute and would likely trigger use of a different formula to distribute these funds to the states.³ That formula has sometimes been called the “new” formula and is described as the “Tier II” formula in the section below, *Funds and Their Distribution*.

The Senate Appropriations Committee (S.Rept. 109-103) has recommended a total of \$2.183 billion in LIHEAP funds. Of this amount, \$1.883 billion would be for regular funds (formula grants to the states) and out of which \$500,000 would be made available for the program evaluation feasibility study (as requested by the President) and \$27.5 million are to be set-aside for Leveraging Incentive grants. The remaining \$300 million, “designated as an emergency requirement,” would be available for contingency purposes. As of September, the full Senate has not yet acted on this committee recommendation. In March, the Senate rejected (by voice vote) an amendment to the Budget Resolution (S.Con.Res. 18) that was brought by Senator Pryor (S.Amdt. 213) and that sought to provide for an increase of \$1.2 billion in LIHEAP funding for FY2006.

Table 2 shows the final FY2005 funding for LIHEAP as well as the funding proposed for FY2006 by purpose.

² (...continued)

REACH grants (42 U.S.C. 8626b(b)- authority for FY1996-FY1999).

³ The statute provides that states may not receive less than the funding amount they would have received in FY1984 had the regular fund appropriation in that year been \$1.975 billion. Because Congress typically apportions some of the regular fund grants appropriated for purposes other than regular fund distribution (e.g., leveraging incentive and REACH grants), it is not clear how HHS might interpret the hold harmless level. For more on this issue see discussion of the “Tier II” formula below

**Table 2. Final FY2005 and
Proposed FY2006 LIHEAP Funding**

	Regular		Contingency ^a	TOTAL
	State formula grants	Set-asides (\$300,000 for technical assistance which is permanently authorized in the statute)		
Final FY2005 appropriation	\$1.885 billion	— \$27.5 million - leveraging incentive (authorized by Conference report language)	\$298 million	\$2.182 billion
Proposed FY2006				
President's Request	\$1.800 billion	— \$500,000 - feasibility study (requested in budget) — \$27.5 million - leveraging incentive (this past practice is assumed in Administration budget documents)	\$200 million	\$2.000 billion
House (H.R. 3010, as passed June 24, 2005)	\$2.007 billion	None	\$0	\$2.007 billion
Senate Appropriations Committee (S.Rept. 109-103)	\$1.883 billion	— \$500,000 - feasibility study (recommended in committee report) — \$27.5 million - leveraging incentive (recommended in committee report)	\$300 million	\$2.183 billion

Source: Congressional Research Service based on H.R. 3010 (as passed by the House), H.Rept. 109-143, S.Rept. 109-103 and U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF) *FY2006 Justification of Estimates for Appropriations Committees*.

- a. Contingency funds appropriated in FY2005 received the formal budget designation of “emergency” funds. For FY2006 only the Senate recommends this formal designation for \$300 million of its total funding. Through early September 2005, the Administration had released all but about \$20 million of the FY2005 appropriated contingency funds. These undistributed funds, as specified by P.L. 108-447, are to remain available “until expended.”

Other LIHEAP legislation in the 109th Congress. Three bills introduced in the House propose to amend certain aspects of LIHEAP. H.R. 1210, introduced by Representative Anthony Weiner seeks to expand access to the program for seniors by raising the maximum federal income eligibility limit to 100% of the state median income — provided that at least 50% of that household’s income was attributable to an individual aged 65 or older. (Current law sets the maximum federal income eligibility for households at 60% of the state median income, or 150% of the federal poverty level, whichever is greater.) H.R. 108, introduced by Representative Gene Green, would mandate that no more than 50% of the funding provided under

LIHEAP could be made available for heating purposes. Finally, H.R. 3664, introduced by Representative Paul Kanjorski, would impose a windfall profit tax on the oil and natural gas industries and direct the proceeds to LIHEAP.

Program Rules and Benefits

Federal LIHEAP requirements are minimal and leave most important program decisions to the states, the District of Columbia, the territories, and Indian tribes and tribal organizations (collectively referred to as grantees) who receive federal funds. The federal government (HHS) may not dictate how grantees implement “assurances” that they will comply with general federal guidelines.

Federal Eligibility Standards and Grantee Responsibility. Federal law limits eligibility to households with incomes up to 150% of the federal poverty income guidelines (or, if greater, 60% of the state median income). States may adopt lower income limits, but no household with income below 110% of the poverty guidelines may be considered ineligible. States may separately choose to make eligible for LIHEAP assistance any household of which at least one member is a recipient of Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Food Stamps, or certain needs-tested veteran’s programs.

Within these limits, grantees decide which, if any, assistance categories to include, what income limits to use, and whether to impose *other* eligibility tests. The statute gives priority for aid to households with the greatest energy needs or cost burdens, especially those that include disabled individuals, frail older individuals, or young children. Federal standards require grantees to treat owners and renters “equitably,” to adjust benefits for household income and home energy costs, and to have a system of “crisis intervention” assistance for those in immediate need. LIHEAP assistance does not reduce eligibility or benefits under other aid programs. Federal rules also require outreach activities, coordination with the Department of Energy’s Weatherization Assistance Program, annual audits and appropriate fiscal controls, and fair hearings for those aggrieved. Grantees decide the mix and dollar range of benefits, choose how benefits are provided, and decide what agencies will administer the program.⁴

Kinds of Energy Assistance Available. Funds are available for four types of energy assistance to eligible households:

- help paying heating or cooling bills;
- low-cost weatherization projects (e.g., window replacement or other home-energy related repair; limited to 15% of allotment unless grantee has waiver for up to 25%);
- services to reduce need for energy assistance (e.g., needs assessment, counseling on how to reduce energy consumption; limited to 5% of allotment); and
- help with energy-related emergencies (winter or summer crisis aid).

⁴ Information regarding state LIHEAP program characteristics and contacts is available at [<http://www.liheap.ncat.org/sp.htm>].

Use of Funds. The majority of LIHEAP funding is used to offset home heating costs. In FY2003 approximately 72% of all LIHEAP funds were used to provide heating assistance or crisis aid related primarily to heating needs; all states (including the District of Columbia) provided some heating assistance, and nearly all also offered crisis aid related to heating needs. In that same year, 3.5% of funds were used for cooling/summer crisis aid; just 15 states offered cooling assistance and only six offered summer crisis aid. Also in FY2003 10.5% of total LIHEAP funds were used for weatherization services (provided by 46 states); 8.2% of available funds were used for administration and planning purposes (51 states), and 1% of the FY2003 funds were used to offer services to reduce the need for energy assistance (provided by 21 states).⁵

Households Served. Since the LIHEAP program began in the early 1980s, both the percentage of eligible households served and absolute number of households receiving heating/winter crisis assistance have generally declined. However, in FY2001 both figures increased somewhat before dropping again in FY2002. (See **Table 3** below.) In FY2002, the number of households receiving cooling aid appears to have risen well above the half-million mark for the first time in program history.

States reported that in FY2003 approximately 4.4 million households received assistance with heating payments; 493,694 received cooling aid; approximately 1.1 million received winter/year-round crisis aid; 71,360 received summer crisis aid; and 111,000 received weatherization assistance. Because many households may receive more than one kind of LIHEAP assistance, a total, unduplicated number of households assisted is not available. However, these data are used to estimate that some 4.8 million households received heating assistance or heat-related crisis aid in FY2003.⁶

The Census Bureau's 2003 Annual Social and Economic Supplement indicates that among all households receiving LIHEAP heating assistance about 36% had at least one member 60 years of age or older; about 48% had at least one disabled member; and some 23% included at least one child five years of age or younger. These same census data showed that a minority of households receiving LIHEAP heating assistance also received other kinds of federal aid: an estimated 12% received TANF; 24% received SSI; and 26% lived in rent-subsidized or public housing.⁷

Benefit Levels. The constant dollar value of LIHEAP heating/winter crisis benefits declined from the program's beginning through FY2000. In FY2001 it peaked sharply, before declining again in FY2002. In FY2002 the average household LIHEAP heating/winter crisis benefit was \$291 (compared to \$364 in FY2001 and \$270 in FY2000), and in FY2003, it rose to \$312. The average cooling benefit,

⁵ Based on state-reported total LIHEAP expenditures for FY2003 (including federal and any supplemental non-federal funding) of \$2.112 billion. *LIHEAP Report to Congress for FY2003*, p. 14.

⁶ *LIHEAP Report to Congress for FY2003*, p. 19.

⁷ *LIHEAP Report to Congress for FY2003*, pp. 19-21.

which is available to a more limited number of households in far fewer states, had largely risen, until FY2002, when it fell sharply. In FY2003 the average cooling aid benefit was \$148, compared to \$136 in FY2002, and down from \$219 in FY2001 and \$228 in FY2000.⁸

Table 3. LIHEAP Heating/Winter Crisis Aid, Selected Years

	Fiscal year								
	1983	1990	1993	1998	1999	2000	2001	2002	2003
Households									
Number receiving aid (in millions)	6.8	5.8	5.6	3.9	3.6	3.9	4.8	4.4	4.8
Number federally eligible (in millions)	22.2	25.4	28.4	29.1	29.0	29.4	30.4	32.7	34.5
Federally eligible and receiving aid	31%	23%	20%	13%	12%	13%	16%	13%	14%
Benefit Levels									
Average benefit (nominal dollars)	\$225	\$209	\$201	\$213	\$237	\$270	\$364	\$291	\$312
Average benefit (constant 1981 dollars) ^a	\$209	\$147	\$129	\$117	\$128	\$140	\$187	\$147	\$154
Costs Offset									
Portion of winter heating bill covered by LIHEAP (<i>for all federally eligible households</i>) ^b	18%	15%	11%	9%	9%	11%	14%	12%	NA
Portion of household income required for home heating (<i>for LIHEAP-recipient households</i>)	<i>Before receiving LIHEAP benefit</i>								
	8.3%	4.5%	4.7%	3.4%	3.3%	3.3%	4.7%	3.6%	4.9%
	<i>After receiving LIHEAP benefit</i>								
	2.6%	2.0%	2.4%	1.3%	1.1%	1.0%	1.7%	1.3%	NA

Source: Table compiled by Congressional Research Service (CRS) based on information provided by or included in the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services, Division of Energy Assistance, *LIHEAP Home Energy Assistance Notebooks* for FY1998, FY2000, FY2001, FY2002 and FY2003.

- a. The constant dollars are based on the 1981 value of the benefit (using the CPI-U index).
b. These percentages represent the estimated portion of combined home heating costs for all households federally eligible for LIHEAP that was offset by LIHEAP heating/winter crisis assistance.

⁸ Ibid., pp. 21-22. The combined average cooling/summer crisis benefit level for FY2003 was \$163, up from \$145 in FY2002. However, for FY2001 this average benefit amount was \$211, and for FY2000 it was \$206. In constant (1981 dollars) the average cooling/summer crisis benefit was worth \$57 in FY1983, \$107 in both FY2000 and FY2001, \$70 in FY2002, and approximately \$80 in FY2003.

Although LIHEAP benefits now cover a smaller portion of home heating bills than in earlier years, the portion of household income required for home heating by LIHEAP-recipient households is less than when the program began, and LIHEAP recipient households now spend less of their income on heating needs than they did when the program began. After taking into account their LIHEAP benefit, LIHEAP-recipient households spent an average of 1.3% of their total income for heating in FY2002 compared to 1.0% in FY2000 and 2.6% in FY1983. (See **Table 3.**)

Apart from federal funding levels, a variety of factors help determine to what extent LIHEAP is able to meet its stated goal of assisting low-income households in meeting their home energy needs.⁹ These include —

- the cost of energy for a given household (influenced by energy price fluctuations and variation in kinds of fuels used);
- the amount of energy consumed (influenced by severity of the weather, energy efficiency of housing, and expected standards of comfort); and
- the number of eligible households (influenced by population size and health of the economy).

Funds and Their Distribution

The LIHEAP statute authorizes regular funds appropriations, which are allocated to all states based on a statutory formula, and contingency fund appropriations, which are allocated to one or more states at the discretion of the Administration. It also authorizes a smaller amount of funds for incentive grants to states who leverage non-federal resources for their energy assistance programs and it allows states to draw on certain other resources.

Regular Funds. Regular funds are distributed to states according to a three-tier formula included in the LIHEAP statute and based on the level of funds appropriated in a given fiscal year.¹⁰ Although provision of cooling assistance has been authorized from the beginning of LIHEAP (initially only when medically necessary), the original method for distributing regular funds was largely based on home *heating* needs of low-income households. The statute also did not provide for the use of updated data, including population and home heating need.

In 1984 (P.L. 98-558) Congress enacted a new distribution formula that requires taking into account the home energy needs of low-income households — whether heating or cooling related — and also provides that the data used for calculating the distribution should be the most recent available. However, in order for these new

⁹ See also CRS Report RS20761, *LIHEAP and Residential Energy Costs*, by Bernard Gelb.

¹⁰ States are defined to include the District of Columbia. Indian tribes receive funds out of state allotments that are proportionate to their share of LIHEAP-eligible households in the state. Before state allotments are made, the statute provides that at least one-tenth (but not more than one-half) of 1% of the total appropriation must be set-aside for energy assistance in American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

measures to be used, Congress also stipulated that — for FY1986 and succeeding years — no state could receive less money than it would have received in FY1984 (had the LIHEAP funding in that year been \$1.975 billion). Funding levels for LIHEAP have only twice exceeded this level, and thus the original distribution formula has been used in every year beginning with FY1987.

Should a higher funding level bring the new distribution formula into effect, the use of current data, particularly updated population numbers, as well as the much increased weight given to cooling needs, would significantly alter the share of LIHEAP funds that states receive. At the same time, should funding increase to certain specified amounts, the three-tier formula now written in law includes provisions designed to maintain an absolute dollar as well as percentage share (or rate) amount of funding that a state could expect to receive. These stipulations are referred to as “hold-harmless” provisions.¹¹ The three-tier current law formula is described in more detail below.

Tier I. For funding levels at or below \$1.975 billion, states receive a fixed share of the total funds (or a rate) that was first used in FY1981.¹² This Tier I rate has been used to distribute regular LIHEAP funds in every program year except FY1985 and FY1986. It was created using formula factors that resulted in greater proportionate funding for cold-weather states with the highest number of low-income households.

Tier II. For appropriations above \$1.975 billion and up to \$2.25 billion a Tier II rate applies.¹³ This distribution rate is based on the most current available data regarding home energy expenditures (heating and cooling) of low-income households. However, under this new distribution rate no state may receive less funding than it would have under the Tier I distribution rate *as it was in effect for FY1984* (and assuming a \$1.975 billion appropriation). To ensure this “hold-harmless” provision can be met, those states with the greatest increase in their funding rate must have that percentage share of funds ratably reduced. The Tier II distribution effectively ensures that, given the required increase in LIHEAP funding, a state cannot receive less than a state-specific absolute dollar amount.

¹¹ For more information on the formula and the percentage share of funds a state would receive at various levels of funding, see CRS Report RS21605, *Low-Income Home Energy Assistance Program (LIHEAP): Formula and Estimated Allocation Rates*, by Julie Whittaker.

¹² Current law provides that when the newer formula is used, a state cannot receive less money than it would have received in FY1984 at a \$1.975 billion funding level. Since this language was enacted, Congress further provided that HHS could use regular LIHEAP funds appropriations for Training and Technical Assistance (P.L. 99-425), and it also authorized Leveraging Incentive Grants (P.L. 101-501) and the REACH option (P.L. 103-252) — both of which it generally funds out of regular LIHEAP funds. These debits on the regular funds account were not in place for FY1984. Because they affect the level of regular funds available for state grant allotments by a little more than \$25 million *it is possible* but not certain that HHS would not implement the newer formula before a regular funds appropriation level reaches just above \$2 billion.

¹³ See immediately previous footnote.

Tier III. For funding levels at or above \$2.25 billion, a Tier III rate is applied. The Tier III rate uses the Tier II methodology to distribute funds but adds a second hold-harmless requirement. States that would receive less than 1% of a \$2.25 billion appropriation must be allocated funds using the rate they would have experienced at a hypothetical \$2.14 billion appropriation (if this rate is greater than the calculated rate at \$2.25 billion). In both the Tier II and Tier III rates, a state will not be allocated less funds than the state received under the Tier I distribution as it was in effect in FY1984 (had the appropriation level been \$1.975 billion). The Tier III distribution, however, effectively ensures that (given the required increase in LIHEAP funding) state LIHEAP programs must receive a state-specific minimum share (or rate) of the total funding. (See **Table 4** below.)

Table 4. Level of Funds Appropriated and Resulting Distribution Factors for LIHEAP Regular Funds

Funds appropriated	Statutory directive	Data used	Hold harmless
<i>Tier I</i> \$1.975 billion or less	P.L. 97-35 created LIHEAP and effectively directed that funds be distributed as they had been in FY1981 for a predecessor energy assistance program.	Heating degree days (squared), residential energy expenditures, home heating expenditures, and number of low-income households. (These data are not updated and remain fixed at the values that were current circa 1980.)	Not applicable.
<i>Tier II</i> more than \$1.975 billion but less than \$2.25 billion	At this funding level, P.L. 98-558 amended the LIHEAP statute to provide that state allotments be determined according to “expenditures for home energy by low-income households” and based on the “most recent satisfactory data” available to HHS.	Heating degree days, cooling degree days, heating expenditures, cooling expenditures, type of energy used, cost of energy, number of low-income households and the method of heating or cooling used by low-income households. (Data used are to be current.)	States with greatest proportionate increase in their rate of funding must have their share of funding (or rate) reduced to ensure that no state receives less money than it would have received for FY1984 (if the appropriation that year had been \$1.975 billion).
<i>Tier III</i> \$2.25 billion or more	Same as for Tier II.	Same as for Tier II.	Same as for Tier II; in addition, any state that would receive less than 1% of a total \$2.25 billion appropriation must be allocated funds at the rate it would have received at a \$2.14 billion appropriation (if this rate is greater than it would be at \$2.25 billion).

Source: Table prepared by the Congressional Research Service.

Contingency Funds. The statute currently provides an annual authorization of \$600 million for LIHEAP contingency funds (contingency funds are authorized indefinitely). Appropriated contingency funds may only be released at the discretion of HHS and may be allocated to one or more states based on their needs. The statute authorizes appropriation of contingency funds “to meet the additional home energy assistance needs of one or more States arising from a natural disaster or other emergency.” The term “emergency” is defined in the LIHEAP statute to include a natural disaster; a significant home energy supply shortage or disruption; significant increases in the cost of home energy, home energy disconnections, participation in public benefit programs, or unemployment; or an “event meeting such criteria as the [HHS] Secretary may determine to be appropriate.”

Leveraging Incentive and REACH Funds. In 1990, P.L. 101-501, amended the program statute to provide a separate funding authorization of \$50 million (\$30 million if regular funds appropriated are under \$1.4 billion) for incentive grants to states that leverage non-federal resources for their LIHEAP programs. Such resources might include negotiated lower energy rates for low-income households or separate state funds. States are awarded incentive funds in a given fiscal year based on a formula that takes into account their previous fiscal year success in securing non-federal resources for their energy assistance program. In 1994 (P.L. 103-252) the statute was further amended to provide that of any incentive funds appropriated, up to 25% may be set aside for the Residential Energy Assistance Challenge Option (REACH). Under the REACH option states may be awarded competitive grants for their efforts to increase efficiency of energy usage among low-income families and to reduce those families’ vulnerability to homelessness and other health and safety risks due to high energy costs. The funding authorization for Leveraging Incentive and REACH grants is separate from regular funds, and the programs were not reauthorized in P.L. 109-58. In practice, however, Congress has funded these initiatives at \$22 million to \$30 million with dollars set-aside out of annual regular fund appropriations.

Other Funds. States are allowed to carry over unused funds from a previous fiscal year (limited to 10% of funds awarded a state). A diminishing amount of money may also be available from previously settled claims of price control violation by oil companies.¹⁴ Finally states have the authority to transfer funds to LIHEAP from certain other federal block grants (including TANF).

Legislative History

Since it was created by the Low Income Home Energy Assistance Act of 1981 (Title XXVI of P.L. 97-35), the LIHEAP program has been reauthorized or amended seven times. The legislation and some of the significant changes made are briefly discussed in the following paragraph.

In 1984, P.L. 98-558, established a new formula by which regular LIHEAP funds are to be distributed in every year (after FY1985) in which regular

¹⁴ *LIHEAP Report to Congress, FY2002*, pp. 11-12. For FY2002 \$4.9 million in oil overcharge funds was obligated by one state.

appropriations exceed \$1.975 billion. (This level of funding was exceeded in FY1986 but has not been reached in any year since then.)

In 1986, P.L. 99-425 extended the program with few changes. In 1990, P.L. 101-501 created the Incentive Program for Leveraging Non-Federal Resources and authorized a July to June program year (or forward funding) for LIHEAP to allow state program directors to plan for the fall/winter heating season with knowledge of available money. (This program year language was subsequently removed although the statute now states that money appropriated in a given fiscal year is to be made available for obligation in the following fiscal year. Congress last provided advance appropriations for LIHEAP in the FY2000 appropriations cycle.)

In 1993, P.L. 103-43 extended the authorization of LIHEAP for one year but made no other changes. In 1994 (P.L. 103-252) Congress stipulated that LIHEAP benefits and outreach activities target households with the greatest home energy needs (and costs), and it enacted a separate and permanent contingency funding authorization of \$600 million for each fiscal year. The 1994 law also established the competitive REACH grant option. In 1998, P.L. 105-285 authorized annual regular funding for each of FY2002-FY2004 at \$2 billion and made explicit a wide variety of situations under which HHS is authorized to release LIHEAP contingency funds.

Finally, in 2005 the Energy Policy Act (P.L. 109-58) reauthorized the program and raised the LIHEAP regular funds authorization level to \$5.1 billion. It also explicitly permits the purchase of renewable fuels as part of providing LIHEAP assistance; requires the Department of Energy to report on use of renewable fuels in provision of LIHEAP aid; requires HHS to report (within one year of the legislation's enactment) on ways that the program could more effectively prevent loss of life due to extreme temperatures; and allows the Secretary of the Interior, when disposing of in-kind oil and gas royalties taken from oil and gas leases, to grant a preference for the purpose of providing additional resources to support federal low-income energy assistance programs.

Issues

Legislation to reauthorize LIHEAP was passed in both chambers of Congress during the 108th Congress, however no final reauthorization language became part of law. Many of the program provisions included in the 108th Congress' version were not enacted by the Energy Policy Act of 2005, and they may be of continued interest to Congress. Legislators in the 108th Congress showed an interest in adjusting the method by which contingency funds are released, in revisiting the formula used to distribute regular LIHEAP funds, and in performance measurement.

Release of Contingency Funds. Contingency funds are appropriated by Congress "to meet the additional home energy assistance needs of one or more States arising from a natural disaster or other emergency." Current law provides a broad definition of such emergencies, but gives HHS (acting on behalf of the President) sole discretion to determine when events warrant the release of contingency funds, what states (or state) are to receive contingency funds, and under what formula this

money will be distributed.¹⁵ Depending on the language used in the appropriations act, contingency funds that are not released by HHS in the fiscal year for which they are appropriated may revert to the federal treasury at the end of the fiscal year (expire), or they may remain available for a specified number of years or until expended.

As passed by the Senate in February 2004, S. 1786 (108th Congress) would have amended current law to establish two conditions that would *require* HHS to release available contingency funds to affected states. Those conditions would be: (1) if there is an increase of at least 20% in the cost of home energy over the previous five-year average for a duration of a month or more in one or more states or regions; or (2) if one or more states experience hot or cold weather that is significantly more severe than average (i.e., the number of heating degree days or cooling days for a month is more than 100 above the 30-year average).¹⁶ This proposal is in keeping with the Senate HELP committee's reported concern that "emergency funds appropriated in FY2001 and FY2002 were not distributed to States despite requests from Congress and Governors for the release of funds." The committee report accompanying S. 1786 in the 108th Congress also encouraged HHS "to consider all factors defined in the statute" when making decisions about release of contingency funds.¹⁷ Echoing the HELP Committee report language, the conference report accompanying the FY2004 omnibus spending measure (H.Rept. 108-401) reminds HHS that it is "expect[ed]" to "consider the factors identified in the statute when making decisions about the release of funds," and requests that the House and Senate Appropriation Committees receive formal notification in advance of any release of contingency funds.¹⁸

Current law provides that "a significant increase in home energy disconnections" may be considered an emergency that warrants release of contingency funds. In keeping with its desire for HHS to "monitor arrearage trends nationwide" and to consider a significant increase in energy utility arrearages as part of this "disconnection criteria" for releasing contingency funds, S. 1786 (108th Congress) would have also required HHS to develop a protocol for states to collect

¹⁵ P.L. 105-285, which last reauthorized LIHEAP, defined the term "emergency" broadly and added a "natural disaster" as a possible cause for the release of LIHEAP contingency funds. In explaining these changes, S.Rept. 105-256 noted that the changes were intended to clarify when contingency funds may be released and particularly to assert that emergencies need not be temperature driven.

¹⁶ A heating degree day equals the number of degrees below 65°F in a given day. For example, if the average temperature on a given day is 55°F, then the number of heating degree days for that day is 10. A cooling degree day equals the number of degrees above 65°F in a given day. For example, if the average temperature for the day is 75°F, then the number of cooling degree days for that day is 10.

¹⁷ U.S. Congress, Senate Health, Education, Labor and Pensions Committee, *Poverty Reduction Act of 2003: Report to Accompany S. 1786*, 108th Cong., 2nd Sess., S.Rept. 108-210, p. 15.

¹⁸ Current law requires HHS to notify "Congress," and this notification is sent to the House Education and Workforce Committee and the Senate Health, Education, Labor and Pensions Committee.

information from energy vendors on a range of residential customer statistics, including overall statistics on the number of disconnections for nonpayment and the number of reconnections. The protocol would also need to establish a method for gathering information about the accounts of households eligible for energy assistance, including the total number of such accounts and how many are past due, the number that have been issued disconnection notices, the total past due amount owed, the number determined uncollectible and the energy burden of these accounts. A description of the protocol would need to be included in a larger report on LIHEAP that S. 1786 would have required HHS to complete and submit to Congress within two years of the legislation's enactment.

LIHEAP Formula. The Energy Policy Act of 2005 requires HHS to report to Congress on how LIHEAP “could be used more effectively to prevent loss of life from extreme temperatures.” Neither the Act nor the Conference Report directs how HHS should fulfill this requirement. The requirement that such a report be made was first included in House legislation (H.R. 1644) in the 108th Congress and, according to the accompanying committee report, was intended to “assist the [HHS] Secretary in developing a more accurate formula allocation methodology” to better meet the home energy assistance needs of “vulnerable populations.” At the time, the House Energy Committee report asserted that any formula developed should use the best statistical data and models now available; be a simple, easy-to-understand science-based mechanism that considers state-level expenditures for low-income home heating and cooling needs; and include annually updated, state-level heating and cooling degree day and fuel price information.¹⁹

Performance Measurement. S. 1786 (108th Congress) would have required HHS to evaluate the performance of LIHEAP with regard to who the program serves, the benefits of the program to recipients, and the ability of the program to reduce utility arrearage and shut-offs among low-income households. Findings of the evaluation would have been part of a required report due to Congress within two years of the legislation's enactment. The bill also would have required the GAO to conduct a new evaluation of the REACH option under LIHEAP.²⁰

The President's FY2005 and FY2006 budgets include a request for \$500,000 to conduct a feasibility study regarding a nationally representative evaluation of LIHEAP program operations. Both of those budgets also include a program performance rating for LIHEAP. It is rated as a program for which “results [are] not demonstrated.” According to these reviews, the program purpose is clear, it addresses a specific existing need, and has a number of additional strengths including effective targeting of intended beneficiaries. However, the review notes that the program's “effectiveness or efficiency” is hampered by the current law formula, it has limited and only recently developed outcome measures, and there have been no independent evaluations (of “sufficient scope and quality”) that demonstrate the program's effectiveness. The Administration efforts

¹⁹ U.S. Congress, House Energy and Commerce Committee, *Energy Policy Act of 2003: Report to Accompany H.R. 1644*, 108th Congress, 1st sess., H.Rept. 108-65, Part 1, p. 145.

²⁰ In 2001 the GAO released an earlier requested report on the REACH option. U.S. General Accounting Office, *Residential Energy Assistance: Effectiveness of Demonstration Program as Yet Undetermined*, GAO-01-723, Aug. 2001.

to develop new performance measures, generally related to meeting the statutory goal of serving low income households with high energy burdens and including certain vulnerable populations (disabled, age 5 or younger, and age 60 or older) have been hampered by data concerns.²¹

²¹ See U.S. Department of Health and Human Services, Administration for Children and Families *FY 2005 Budget Justifications*, pp. M-137-140 and U.S. Department of Health and Human Services, Administration for Children and Families, *FY2006 Budget Justifications*, pp. M-74-M-78.

Table 5. LIHEAP Funding by State, FY2002 to FY2005
(Dollars in millions)

State	TOTAL funds distributed ^a (regular and contingency)			Regular allotment ^b	Contingency distributed ^c	TOTAL
	FY2002	FY2003	FY2004	FY2005		
Alabama	14.3	16.1	15.4	17.9	2.0	17.9
Alaska	6.4	7.8	7.5	8.7	1.4	10.1
Arizona	8.1	7.2	6.9	7.1	0.6	7.7
Arkansas	11.0	12.3	11.8	12.2	1.3	13.5
California	76.5	86.1	82.4	84.9	6.8	91.7
Colorado	28.8	30.2	28.9	29.8	2.6	32.4
Connecticut	36.7	43.8	40.2	38.9	7.9	46.8
Delaware	5.0	5.8	5.3	5.2	1.1	6.2
District of Columbia	5.7	6.3	6.2	6.0	0.6	6.7
Florida	22.7	25.9	24.5	26.7	2.9	28.1
Georgia	18.0	20.3	19.4	20.0	2.5	22.5
Hawaii	1.8	2.0	1.9	2.0	0.2	2.2
Idaho	11.2	11.8	11.1	11.1	1.1	12.2
Illinois	105.2	109.6	104.5	107.7	9.5	117.2
Indiana	47.6	50.2	47.3	48.8	5.1	53.9
Iowa	32.2	35.5	33.5	34.6	4.3	38.9
Kansas	15.3	16.1	15.4	15.9	1.5	17.4
Kentucky	26.1	26.1	24.6	25.4	2.7	28.1
Louisiana	14.7	16.5	15.8	28.3	1.5	17.8
Maine	21.9	28.6	25.1	24.3	6.3	30.6
Maryland	28.4	32.1	30.8	29.8	4.4	34.2
Massachusetts	74.3	86.1	80.4	77.8	14.1	91.9
Michigan	99.4	104.9	105.0	101.7	10.9	112.5
Minnesota	68.6	77.5	71.5	73.7	10.3	84.0
Mississippi	12.3	13.8	13.2	25.45	1.9	15.6
Missouri	41.1	43.8	41.7	43.0	5.0	48.1
Montana	10.9	11.9	11.2	11.6	1.2	12.8
Nebraska	16.8	17.4	16.6	17.1	1.9	19.0
Nevada	4.6	3.7	3.5	3.6	0.3	4.0
New Hampshire	13.3	16.9	15.2	14.7	3.5	18.3
New Jersey	69.7	78.7	74.5	72.1	11.8	83.9
New Mexico	8.0	9.1	8.7	8.9	1.0	9.9
New York	228.0	260.1	243.4	235.6	42.3	277.9
North Carolina	35.3	37.5	33.6	34.5	6.1	40.6
North Dakota	11.3	12.6	12.4	12.1	1.9	14.0
Ohio	94.5	98.1	98.4	95.3	9.4	104.7
Oklahoma	12.0	13.6	13.0	13.4	1.4	14.7
Oregon	22.3	23.8	21.8	22.7	2.3	25.0
Pennsylvania	121.4	136.7	130.9	126.8	18.7	145.5

State	TOTAL funds distributed ^a (regular and contingency)			Regular allotment ^b	Contingency distributed ^c	TOTAL
	FY2002	FY2003	FY2004	FY2005		
Rhode Island	12.3	14.2	13.2	12.8	2.4	15.1
South Carolina	13.3	13.4	12.3	12.7	1.9	14.6
South Dakota	9.4	10.4	9.6	9.9	1.7	11.6
Tennessee	23.2	26.4	24.9	25.7	2.6	28.3
Texas	37.8	42.5	40.7	42.0	4.2	46.2
Utah	13.2	13.8	14.0	13.6	1.1	14.7
Vermont	9.9	12.6	11.4	11.0	2.7	13.8
Virginia	35.8	39.1	37.5	36.3	5.4	41.7
Washington	32.9	37.7	35.4	36.5	3.4	39.9
West Virginia	16.3	17.4	17.4	16.8	1.7	18.5
Wisconsin	62.4	69.5	64.3	66.3	9.0	75.3
Wyoming	5.3	5.5	5.2	5.3	0.5	5.9
Subtotal	\$1,753	\$1,939	\$1,840	\$1,837	\$274	\$2,111
Tribes ^d	16.9	19.3	19.0	17.6	2.5	20.1
Territories ^e	2.3	2.5	2.5	2.5	0.3	2.9
Leveraging/REACH ^f	27.5	27.3	27.3	27.3	0.0	27.3
Training/ Tech. Asst. ^g	0.3	0.3	0.3	0.3	0.0	0.3
TOTAL	\$1,800	\$1,988	\$1,889	\$1,885	\$277.25	\$2,162

Source: Table compiled by the Congressional Research Service (CRS) based on U.S. Department of Health and Human Services (HHS) data.

- The totals shown in these columns include regular fund allocations to states (net of the direct awards to tribes) and any contingency funds awarded to the state in that year. In FY2002 the regular funds appropriation was \$1.700 billion and HHS distributed \$100 million in contingency funds to 33 states and the District of Columbia that experienced extreme heat. In FY2003 the regular funds appropriation was \$1.788 billion and HHS distributed \$200 million in contingency funds to all states (for higher fuel costs). In FY2004 the regular funds appropriation was \$1,789 billion and HHS distributed \$99.4 million in contingency funds to all states (because of higher fuel costs — with a greater share of the funding awarded to 19 states, including the District of Columbia, that also experienced extreme cold).
- LIHEAP funds are released on a quarterly basis. As of early September 2005, all of the FY2005 regular funding have been distributed.
- This column shows the amount of FY2005 contingency funds released as of early September 2005. As of that date, HHS had distributed \$277.75 million. An additional \$20.1 million in FY2005 contingency funds remain available for release until expended.
- This funding is made directly available to or for tribes but is reserved out of a given state's allotment amount. As prescribed in the statute, the tribal set-aside from a state gross allotment is based on tribal households in that state.
- The statute provides that HHS must set-aside not less than one-tenth of 1% and not more than one-half of 1% for use in the territories (American Samoa, Guam, Puerto Rico, Northern Mariana Islands, and the U.S. Virgin Islands).
- The statute provides a separate funding authorization for competitive grants under the leveraging incentive program (designed to encourage states to increase non-federal support for energy

assistance). It also provides that up to 25% of any leveraging funds made available may be reserved for competitive REACH grants (for state efforts to increase efficient use of energy among low-income households and to reduce their vulnerability to homelessness and other problems due to high energy costs). The Congress has in recent years stipulated that a certain portion of the LIHEAP regular funds be set aside for leveraging grants and, of this amount, HHS has reserved 25% for REACH grants.

- g. The statute provides that HHS may reserve up to \$300,000 for making grants or entering into contracts with states, public agencies, or private nonprofits that provide training and technical assistance related to achieving the purposes of the LIHEAP program.

Table 6. LIHEAP Funding: FY1982 to FY2006
(Dollars in thousands)

Fiscal year	Regular Funds ^a			Contingency Funds ^a		TOTAL Distributed
	President's request	Authorized	Appropriated	Appropriated	Distributed	
1982	\$1,400,000	\$1,875,000	\$1,875,000	—	—	\$1,875,000
1983	1,300,000	1,875,000	1,975,000	—	—	1,975,000
1984	1,300,000	1,875,000	2,075,000	—	—	2,075,000
1985	1,875,000	2,140,000	2,100,000	—	—	2,100,000
1986	2,097,765	2,275,000	2,100,000	—	—	2,100,000
1987	2,097,642	2,050,000	1,825,000	—	—	1,825,000
1988	1,237,000	2,132,000	1,531,840	—	—	1,531,840
1989	1,187,000	2,218,000	1,383,200	—	—	1,383,200
1990	1,100,000	2,307,000	1,443,000	—	—	1,443,000
1991	1,050,000	2,150,000	1,415,055	195,180	195,180	1,610,235
1992	1,025,000	2,230,000	1,500,000	300,000	0	1,500,000
1993	1,065,000	<i>ssan^b</i>	1,346,030	595,200	0	1,346,030
1994	1,507,408	<i>ssan^b</i>	1,437,402	600,000	300,000	1,737,402
1995	1,475,000	2,000,000	1,319,202	600,000	100,000	1,419,202
1996	1,319,204	2,000,000	900,000	180,000	180,000	1,080,000
1997	1,000,000	2,000,000	1,000,000	420,000	215,000	1,215,000
1998	1,000,000	2,000,000	1,000,000	300,000	160,000	1,160,000
1999	1,300,000	2,000,000	1,100,000	300,000	175,299	1,275,299
2000	1,400,000	<i>ssan^b</i>	1,100,000	900,000	744,350 ^c	1,844,350 ^c
2001	1,400,000	<i>ssan^b</i>	1,400,000	600,000	455,650	1,855,650
2002	1,400,000	2,000,000	1,700,000	300,000	100,000 ^d	1,800,000
2003	1,400,000	2,000,000	1,788,300 ^e	0	200,000 ^f	1,988,300
2004	1,700,000	2,000,000	1,789,380	99,410	99,410	1,888,790
2005	1,800,500 ^g	5,100,000	1,884,799	297,600	277,250 ^h	2,162,050 ^h
2006	1,800,000 ^g	5,100,000				

Source: Table prepared by the Congressional Research Service (CRS) based on HHS data.

- a. Amounts listed under the Regular Funds heading are for *regular* funding only. In 1994, Congress enacted a permanent \$600 million annual authorization for contingency funding. As shown, however, before this authorization contingency funds were sometimes made available.
- b. Such sums as necessary.
- c. President Clinton released \$400 million of these FY2000 contingency funds in late Sept. 2000 making it effectively available to states in FY2001.
- d. These funds were distributed out of the total FY2002 contingency appropriation (P.L. 107-116). With the end of FY2002, the remaining \$200 million of these contingency funds expired.
- e. The final FY2003 appropriations act (P.L. 108-7) included \$1.688 billion in new regular funds and converted into regular funds \$100 million of remaining contingency funds originally appropriated in FY2001 (P.L. 107-20).
- f. These funds were distributed out of contingency dollars appropriated as part of the FY2001 supplemental (P.L. 107-20). That law provided that the funds were “available until expended.” Congress subsequently converted some of these dollars into regular funds (see tablenote e).
- g. Of this amount the President requests that \$500,000 be set aside for a national evaluation.
- h. The amount of contingency funds distributed in FY2005 is shown as of early September 2005; the total distributed amount for FY2005 includes all regular funds appropriation that are distributed on a quarterly basis.